

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

Furama Hotel  
8601 Lincoln Blvd.  
Los Angeles, CA 90045  
May 25, 2000

**PANEL MEMBERS**

John Duncan  
Chairman

Clifford Cummings  
Member

Aram Hodess  
Member

Patricia A. Noyes  
Member

Tom Rankin  
Member

Laurel Shockley  
Member

Dan F. Trammell  
Member

Pat Williams  
Member

**Executive Staff**

Victoria Bradshaw  
Executive Director

Ada Carrillo  
Acting Assistant Director, Administration

Peter G. DeMauro  
General Counsel

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**I. CALL TO ORDER**

Chairman John Duncan called the public Panel meeting to order at 9:07 a.m.

**II. ROLL CALL**

Members Present

John Duncan, Chairman  
Tom Rankin  
Laurel Shockley  
Dan Trammell  
Pat Williams

Members Absent

Clifford Cummings  
Aram Hodess  
Pat Noyes

Executive Staff Present

Victoria Bradshaw, Executive Director  
Ada Carrillo, Acting Assistant Director  
Peter DeMauro, General Counsel

**III. APPROVAL OF AGENDA**

ACTION: Mr. Rankin moved and Mr. Trammell seconded the Panel approve the meeting agenda as proposed.

Motion carried, 5 – 0.

**IV. APPROVAL OF MINUTES**

Mr. Rankin corrected the minutes of April 27, 2000, by adding the word “business” following “workers compensation” (top portion of page 9) in the Amendment for Fremont Compensation Insurance Group (SET).

ACTION: Mr. Rankin moved and Ms. Shockley seconded the Panel approve the minutes of the April 27, 2000, meeting as corrected.

Motion carried, 5 – 0.

## **V. REPORTS OF THE PANEL MEMBERS**

There were no reports from the Panel members.

## **VI. REPORT OF THE EXECUTIVE DIRECTOR**

Ms. Bradshaw reported if the Panel approves all the projects presented today, there will be \$4 million in unencumbered funds available for training projects for the remainder of this fiscal year, which ends June 30.

Ms. Bradshaw announced the Panel would hold a one-day meeting in June in Sacramento. Projects will be presented in the morning. The afternoon session will be a Panel study session.

## **VII. REPORT OF THE GENERAL COUNSEL**

The General Counsel had no report.

## **VIII. OLD BUSINESS**

There was no Old Business.

## **IX. PUBLIC COMMENT**

There were no members of the public who wished to comment.

## **X. CONSENT CALENDAR, FINAL AGREEMENTS AND PROPOSED AGREEMENTS**

### **Amendments**

#### **American Business College (Welfare to Work)**

Mr. DeMauro announced the American Business College was removed from the consent calendar, as it was a technical amendment the Executive Director could consider and approve.

## **Yuba-Sutter Chamber of Commerce (SET)**

Mr. DeMauro presented the Yuba-Sutter Chamber of Commerce (SET) project as a consent item. Due to unexpected circumstances that delayed training, the Contractor is requesting moving the term date forward by two months.

ACTION: Ms. Shockley moved and Mr. Trammell seconded the Panel approve the request.

Motion carried, 5 – 0.

## **XI. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS**

### **One-Step Agreements**

#### **Northern California Teamsters Apprenticeship Training and Education Trust Fund**

Charles Lundberg, acting manager of ETP's Sacramento field office, presented a One-Step Agreement for Northern California Teamsters Apprentice Training and Education Trust Fund (NCTAT) in the amount of \$155,115 to train 50 unemployment insurance recipients or individuals who have exhausted their unemployment insurance benefits within the previous 24 months. This is the third project between ETP and the NCTAT. The Contractor's representative stated that there is a shortage of skilled drivers who can operate multiple construction vehicles and equipment. In order to remedy this situation, the NCTAT has developed this employer-specific, customized construction driver-training program. This training program will offer trainees a variety of training modules to select from, based on a trainee's skill level. This project is supported by several locals of the Northern California Teamsters Heavy, Highway, Building and Construction Committee Locals and the local Teamsters Union and Operating Engineers Union. This training program is not an apprenticeship-training program nor does it compete with any existing apprenticeship-training program prior to or after training and employment.

Mr. Lundberg introduced Geoffrey Quinn, Program Director.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the One-Step Agreement as presented.

Motion carried, 5 – 0.

#### **The Robert Mondavi Corporation, dba the Robert Mondavi Winery**

Mr. Lundberg presented a One-Step Agreement for the Robert Mondavi Corporation in the amount of \$1,549,215 to retrain 871 employees. This is the Robert Mondavi Winery's second project with ETP. The Robert Mondavi Winery has recently embarked on significant expansions of its operations. The project involves rebuilding the winery entirely to include new systems and equipment in three facilities, Oakville,

Santa Maria, and Woodbridge. Whereas the first training project laid the groundwork, Mondavi officials see the current project as a second phase that will emphasize continuous improvement. The overall purpose is to provide employees with the advanced skills needed to complete the contractor's high performance training initiative and thus reach its goal of a 30 percent improvement in efficiency. The Robert Mondavi Winery has certified that this training supplements rather than displaces the current training, and would not occur in the form and manner described without ETP Funds. The Robert Mondavi Winery estimates training and training-related costs not covered by ETP funding to be \$550,150 and estimated wages of employees to be paid during training to be \$4,509,000.

Mr. Lundberg introduced Annette Shafer, of Mondavi, and Tom Christi of VeriLogix, Inc.

Mr. Rankin raised a question as to the basis for the rate of \$270 per hour to VeriLogix to develop an application. Tom Christi of VeriLogix, Inc., explained that the development process is very complex. VeriLogix' fees are based on the level of expertise brought to the project and the people they utilize to develop the curriculum and do the assessment profiles. Mr. DeMauro noted that unlike fees for administration, the rate for third party service contract fees do not come out of ETP funds. Mr. Rankin then asked what were VeriLogix' fees for administration. Mr. Christi answered \$120 per hour.

Ms. Williams asked what is the percentage of those being trained that are in the administrative side and what percentage is on the production side. Ms. Schafer stated she thought approximately 10 percent is in administration. Ms. Williams was also concerned about a publication that appeared last year regarding problems Mondavi employees had with the company and asked if the problems were resolved. Ms. Schafer was not aware of any problems with their employees. She stated the Mondavi employees are treated very well. Mondavi has a tremendous benefits program, higher, she stated, than that of most wineries in the state. Ms. Schafer was aware of picketing at one time last year, but she stated she did not know the reason. Mr. Christi noted that the turnover rate at Mondavi is very low, about 5 percent, indicating high employee morale.

Mr. Rankin stated that sometime in the future he would like the Panel to have a general discussion about fees for administration.

**ACTION:** Ms. Shockley moved and Chairman Duncan seconded the Panel approve the One-Step Agreement for Mondavi. Roll call vote was called.

The vote was as follows: 2 ayes, 3 abstentions (Mr. Rankin-abstained; Ms. Shockley-aye; Mr. Trammell-abstained; Ms. Williams-abstained; Chairman Duncan-aye). Chairman Duncan stated that there were not enough votes to move the project forward at the present time, but that he expected to see it back before the Panel sometime in the future.

### **Public Safety Training Association, Incorporated (Welfare to Work)**

Diana Torres, manager of ETP's San Diego field office, announced the Public Safety Training One-Step Agreement has been withdrawn from the Panel Agenda and submitted as a One-Step Agreement to the Executive Director.

### **SYSCO Food Services of San Diego, Incorporated (SET)**

Ms. Torres presented a One-Step Agreement from SYSCO Food Services of San Diego, Incorporated, a food products distributor, in the amount of \$446,080 to retrain 335 employees in business skills, computer skills, continuous improvement, and manufacturing skills. This project will use Special Employment Training (SET) funds under Section 10214.5(a)(1) to train frontline workers in occupations that pay 95 percent of the state's average hourly wage, in businesses difficult to serve under the Panel's standard project format. The company installed the SYSCO Unified System to convert from a mainframe computer to a new enterprise Windows-based system. Employees must learn to use the new computer system, and new order-processing procedures to improve the accuracy of the order data entered into the computer. Computer and Business Skills training will bring all SYSCO employees to a higher skill level, allowing them to provide data reports and to communicate efficiently on the status of production and demand issues. Training and training related costs not covered by ETP funds are estimated to be \$40,000 and wages of employees paid during training are estimated to be \$163,000. This training is supported by the International Brotherhood of Teamsters, Local 630.

Ms. Torres introduced Brad Foerster, Vice President of Sales and Signatory to the Agreement; David Jones, Healthcare District Sales Manager; and Steve Lyons, Shop Steward, Teamsters Local 683.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Valley Career College**

Ms. Torres presented a One-Step Agreement for Valley Career College in the amount of \$473,940 to train 90 new hires in Medical Billing, Receptionist/ Secretary, Pharmacy Technician, Accounting Clerk and Administration Assistant Skills. This is the second proposal from Valley Career College. The college expects to reach 100 percent placement by the end of the Agreement term.

Ms. Torres introduced Thomas Mueller, President and Founder. Mr. Rankin was concerned about the placement wage rate. Mr. Mueller stated the vast majority of trainees earn \$9 - \$12 per hour at placement. Within the first 12 to 18 months, trainees can expect an increase from \$1 - \$2 per hour.

ACTION: Mr. Rankin moved and Ms. Shockley seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 – 0.

### **Advanced Computing Institute (Welfare to Work)**

Ron Tagami, manager of ETP's North Hollywood field office, presented a One-Step Agreement for Advanced Computing Institute in the amount of \$297,000 to train 25 new hires and retrain 10 eligible welfare to work participants in Computer Skills.

Mr. Tagami introduced Daniel Mainea, Corporate President, and Chief Financial Officer. Mr. Mainea introduced William Douglas, Placement Coordinator. Mr. Douglas stated the trainees are contracted out to various companies for both short term and long term assignments. Ms. Bradshaw stated the placement of workers as explained by Mr. Douglas was not what was explained to her previously. Ms. Bradshaw asked the Panel to postpone the action on this proposal to enable staff to further examine worker placement.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the recommendation of the Executive Director to postpone the action of this project to enable staff to further review worker placement.

Motion carried, 5 – 0.

### **Anaheim Manufacturing**

Mr. Tagami presented a One-Step Agreement for Anaheim Manufacturing in the amount of \$131,152 to retrain 111 workers. Anaheim Manufacturing makes commercial and industrial waste disposal systems for plumbing wholesalers, retail outlets, and restaurant and hotel equipment dealers. Training and cross training in Continuous Improvement concepts will be provided to workers in virtually all work environments. The Contractor will also provide English as a Second Language to 37 of the retrainees who have little or no facility with the English language. Anaheim Manufacturing certifies that the training provided in this Agreement is new training which supplements rather than displaces the training the company normally provides. The Contractor also certifies that in addition for ETP funds, they project to incur training related costs in the amount of \$175,376 for employees' wages paid during the training and for lost production time while workers are in training. Teamsters' Local Union No., 952 supports this project.

Mr. Tagami introduced Trevor Wainwright, Manufacturing Services Manager, and Paul Roa, Business Representative, Teamsters Union Local 952.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

## **Coatings Resource Corporation**

Mr. Tagami presented a One-Step Agreement for Coatings Resource Corporation in the amount of \$121,568 to retrain 50 workers in Continuous Improvement/Management. Coatings Resource Corporation (CRC) provides high performance protective and decorative coatings used in the plastics, woods, specialty metals, and industrial maintenance industries. This company employs 59 Californians. CRC certifies that the training provided in this Agreement is new training that supplements rather than displaces the training the company normally provides and would not occur in the form and manner without ETP funding. The Contractor also certifies that in addition to funds from ETP, they project to incur training related costs in the amount of \$140,00 for employee wages paid during the training and \$116,893 for lost production time while workers are in training.

Mr. Tagami introduced Jeffrey Laird, Vice President, Jennifer McCoy, Human Resources, and Paul Johnson, Consultant, California Training Coalition.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

## **Global Health Sciences, Incorporated**

Mr. Tagami presented a One-Step Agreement for Global Health Sciences, Incorporated (GHS), in the amount of \$352,295 to retrain 219 current workers in Management Skills, Continuous Improvement and Computer Skills. GHS controls the development process for dietary and nutritional supplement products from the initial market identification stage through formulation, manufacturing, label design, and distribution to its customers. The Contractor has certified that the proposed training supplements rather than displaces training funded through existing programs conducted by the company. The company's in-kind contribution for this training totals \$759,521.

Mr. Tagami introduced Howard Derman, Vice President, Human Resources and Administration.

ACTION: Ms. Williams moved and Ms. Shockley seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

## **Institute of Computer Technology**

Mr. Tagami presented a One-Step Agreement for the Institute of Computer Technology, Inc. in the amount of \$287,280 to train 60 new hires in Computer Skills. This is the third project between the Institute of Computer Technology and ETP. Classes typically consist of 80 to 90 percent ETP participants.



Mr. Tagami introduced Dr. K. C. You, President, and Phil Singer, Director of Contract Training. Mr. Rankin was concerned with the low wage rate of \$8.70 - \$10.00 per hour for employees working in data entry, accounting and computer technology. Mr. Singer assured Mr. Rankin that the trainees hired for these jobs make from \$10.91 to \$16.00 per hour. Mr. Singer stated that \$10.91 is the entry-level wage. Mr. Rankin asked Mr. Singer if he would consider increasing the wage range reflected in the contract from \$8.70 - \$10.00 per hour to \$10.91 - \$16.00 per hour. Mr. Singer stated he had no problem with the increase. .

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the One-Step Agreement as discussed.

Motion carried, 5 – 0.

### **Polar Air Cargo, Incorporated**

Mr. Tagami presented a One-Step Agreement for Polar Air Cargo, Incorporated, in the amount of \$241,332 to retrain 135 current workers in Continuous Improvement, Business Skills, Computer Skills, and Management Skills. Polar Air Cargo is a global air carrier specializing in time-definite, airport-to-airport, scheduled airfreight service. The Contractor has certified in writing that this proposal is for training that supplements rather than displaces the training they normally provide. The Contractor's in-kind contribution for this project is approximately \$88,000 to \$130,000 for additional, estimated training costs and wages during training.

Mr. Tagami introduced Karen Hecox, Manager, and Denise Finch, President of Cre8tive Training Solutions.

ACTION: Mr. Rankin moved and Mr. Trammell seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **National Alliance of Business (SET)**

Mr. Tagami presented a One-Step Agreement from National Alliance of Business in the amount of \$1,298,480 to retrain 1,940 current workers of mostly small and medium-sized businesses in Continuous Improvement, Management Skills, Computer Skills, Business Skills, and VESL. A portion of this project will utilize funding under SET.

Mr. Tagami introduced Jeffrey Hull, Senior Manager. Mr. Hull assured the Panel that National Alliance of Business customizes training for multiple employer contracts.

ACTION: Mr. Rankin moved and Ms. Williams seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0,

## **XII. PUBLIC COMMENT**

There were no members of the public who wished to comment.

## **XIII. LATIN BUSINESS ASSOCIATION AGREEMENT**

Ms. Bradshaw presented a fourth marketing partnership agreement. The Latin Business Association proposes to participate in a marketing effort to the Latino-owned business throughout the State, primarily for small companies in areas that still have high unemployment. Staff recommended the Panel approve the \$250,000 sole source marketing agreement with the Latin Business Association.

Ms. Bradshaw introduced Debra Esparza, Executive Program Advisor. Ms. Esparza described the Latin Business Association as the nation's largest private, not-for-profit membership association, serving over 600,000 Latino-owned firms in California, dedicated to serving the needs of Latino-owned businesses throughout the United States. Approximated 440,000 Latino-owned businesses are in Southern California. The specific scope of the marketing project presented includes very detailed and in-depth outreach to the Latino-owned firms and firms with high levels of Latino work forces throughout the state, particularly in the areas that have high unemployment rates.

**ACTION:** Ms. Williams moved and Ms. Shockley seconded the Panel approve this sole source Agreement as proposed.

Motion carried, 5 – 0.

## **XIV. OVERVIEW OF TRAINING OPPORTUNITIES IN THE GARMENT INDUSTRY**

Ms. Bradshaw announced that, on occasion, various industries would be brought before the Panel to give overviews of some of the opportunities and challenges within specific industries. This month, she stated an overview of some of the training opportunities and challenges will be presented from the garment industry. The garment industry is the third largest manufacturing industry in California, and the largest manufacturing industry in Los Angeles County. The garment industry employs more than 155,000 people in California. ETP has the opportunity of providing training funds to the garment industry companies as an incentive for their frontline workers.

Ms. Bradshaw presented Linda Wong, Director of the Los Angeles Manufacturing Network Initiative, Joe Rodriguez, Executive Director of the Southern California Garment Contractors Association, Paul Gill, Executive Director of "Made By the Bay"

in Northern California, Ilse Metchek, Executive Director of the California Fashion Association, and Sharon Tate, Dean of Academic Affairs Los Angeles Trade Technical College.

Ms. Wong spoke on the importance of the garment industry in California. Los Angeles is the largest urban manufacturing center in apparel production in the entire United States, surpassing New York City about four years ago. Ninety-five percent of the companies are extremely small with fewer than 50 employees. Ms. Wong presented current wage data showing opportunities for good wages. The problem is that the industry has no training structure or support system that allows employees to advance. With training, there is a career path for employees to promote into high wage jobs.

Mr. Rodriguez spoke on the Garment Contractors Association's commendable compliance with the laws. The law-abiding contractors are in stiff competition with those companies who do not follow the rules or regulations. Mr. Rodriguez stated the opportunity for training and advancement is an incentive the law-abiding employers need to offer to their employees in order to stay competitive.

Mr. Gill described "Made By the Bay" as a non-profit organization headquartered in San Francisco. It is made up of a coalition of business, labor, and government groups that are interested in promoting the health of the Northern California apparel economy. Their concern is with compliance in the industry. Their experience in creating incentives for the law-abiding contractors is a good way to improve the workers' conditions. The goal of the organization is to provide supplemental, customized training for every factory.

Ms. Metchek spoke about successfully competing globally as an industry for international trade. In order to reach that goal, it is necessary to have a very knowledgeable workforce, a workforce that has been developed by the contract shops and by the entry level workers. She commented on training that would upgrade the skills of existing employees into the levels of expertise that technology demands.

Ms. Tate commented there is an extensive network of community college programs to train people in pre-production. She stated that what is not available in the public sector and not widely available in the private sector is skilled and intermediate training which provides for upward mobility.

Ms. Bradshaw introduced Wally Aguilar of the Trade and Commerce Agency, who has been coordinating projects with ETP.

## **XV. PUBLIC COMMENT**

Ruth Lopez Williams, Chair of the Board, Latin Business Association, thanked the Panel for the support of its project.

Paul Gill sent regrets from SallyAnne Monti from Manex for not being present and assured the Panel she is ready, willing, and anxious to work with the apparel industry and is looking forward to great success.

Pat Williams reported on the AFL/CIO California Workers' Assistance Program Conference held in Palm Springs. She lauded that program for the outstanding job it was doing of presenting information on the ETP program.

Ms. Bradshaw reported on the public hearing regarding multiple employer contracts that was held yesterday in Los Angeles. She announced there would be a second hearing held on May 31 in Oakland.

## **XVI. EXECUTIVE SESSION**

Chairman Duncan announced there would be no Executive Session.

## **XVII. ADJOURN**

There being no further business and no objection, the meeting was adjourned at 11:55 a.m.